

CO2018-062

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May 24 2018

STATE HEALTH PLANNING AND
DEVELOPMENT AGENCY

**Arnall
Golden
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May 22, 2018

EL107645958US

VIA U.S. EXPRESS MAIL AND EMAIL

Ms. Karen W. McGuire
State Health Planning and Development
Post Office Box 303025
Montgomery, Alabama 36130-3025
Email: Karen.McGuire@shpda.alabama.gov

Re: Alabama Hospice Agencies / Changes in Indirect Ownership Interest

Dear Ms. McGuire:

We are writing on behalf of CH Services Group Holdings, Inc. and its subsidiaries ("Curo") to notify you of a proposed transaction (the "Transaction") that will result in a change in ultimate control and indirect ownership interests of the hospice operators listed on Attachment A and B (the "Operators").

The Transaction will cause a change in indirect ownership interests multiple levels above the Operators. Under the Transaction, a consortium comprised of TPG Capital ("TPG"), Welsh, Carson, Anderson & Stowe ("WCAS"), Humana Inc. ("Humana") and certain other minority investors (collectively the "Shareholder Group") will acquire control of CH Services Group Holdings, Inc. Please see Attachment C and D for diagrams reflecting the pre- and post-closing structures. Note that the Transaction is expected to close in July 2018.

Enclosed please find **Change of Control Applications for the parent Operators listed on Attachment A**. Based on our telephone call on April 10, 2018, we understand Applications are only required for parent hospices and that branch hospices (included at Attachment B) do not require a separate Application.

As discussed on our April 30, 2018, telephone call, we understand that, if the Shareholder Group decides to re-organize or change the proposed organizational structure (as indicated in Attachment D) to include additional intermediate entities, any proposed changes may be submitted for your review in a separate filing. We also understand that any proposed re-organization that does not change the ultimate control and ownership interests in the Certificates of Need (which would continue to be held by the Shareholder

Group as proposed), will not be considered a Change in Indirect Ownership Interest requiring further Certificate of Need review.

We also respectfully request that your consideration of any proposed re-organization that may be submitted not delay your approval of the enclosed filings for a Change in Indirect Ownership Interest.

In a separate communication, change-of-information CMS-855As will be submitted to the assigned Medicare Administrative Contractor and, where required, the applicable state Medicaid agency to report this change.

Thank you for your attention to this matter. Should you have any questions, please do not hesitate to contact me.

Sincerely,

ARNALL GOLDEN GREGORY LLP



Alexander B. Foster

cc: Douglas Abell, Esq. (*Curo Health Services*)
Carol Saul, Esq.
Susan W. Berson, Esq. (*Counsel to TPG and WCAS*)
Robert Belfort, Esq. (*Counsel to Humana*)

ATTACHMENT A

| Legal Entity Name | DBA Name | State | Address1 | Address2 | City | State | Zip | SHDA No. |
|----------------------------------|---|--------|------------------------|-------------|------------|-------|------------|-----------|
| New Beacon Healthcare Group, LLC | SouthernCare New Beacon - Anniston | Parent | 1419 Leighton Avenue | Unit A | Anniston | AL | 36207-3800 | 015-P2418 |
| SouthernCare, Inc. | SouthernCare Greenville | Parent | 501 E. Commerce St. | | Greenville | AL | 36037-2313 | 013-P2403 |
| New Beacon Healthcare Group, LLC | SouthernCare New Beacon - Jasper | Parent | 300 North Airport Road | Units 3 & 4 | Jasper | AL | 35504-2517 | 127-P2417 |
| New Beacon Healthcare Group, LLC | SouthernCare New Beacon - Scottsboro | Parent | 1602 S. Broad Street | | Scottsboro | AL | 35768-2611 | 071-P2389 |
| New Beacon Healthcare Group, LLC | SouthernCare New Beacon - N. Birmingham | Parent | 4735 Norrel Drive | Suite 129 | Trussville | AL | 35173-3606 | 073-P2390 |

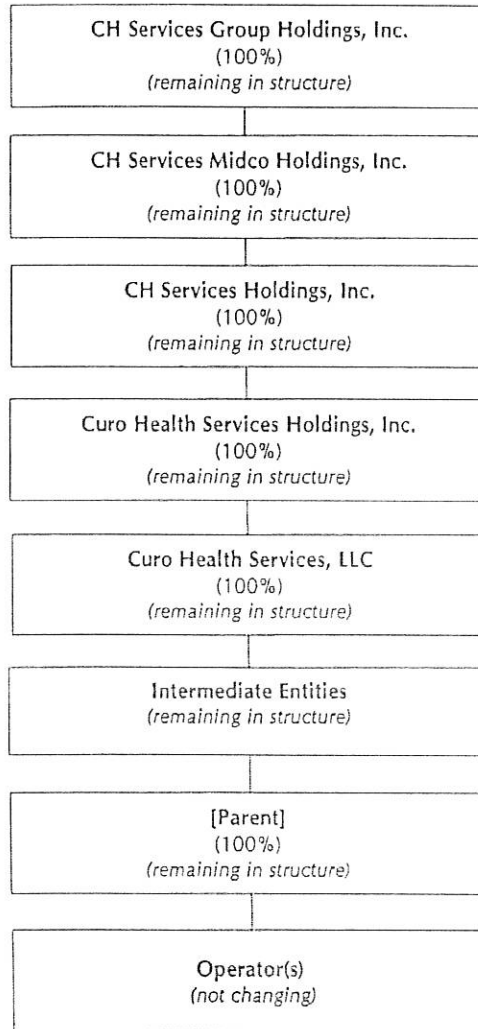
ATTACHMENT B

| Legal Entity Name | DBA Name | State | Address | Address 2 | City | State | Zip | STPDA No. |
|----------------------------------|--|----------------------|-----------------------------|-----------------|----------------|-------|------------|------------|
| New Beacon Healthcare Group, LLC | SouthernCare New Beacon Alexander City | Branch of Anniston | 124 Aliant Parkway | | Alexander City | AL | 35010-3158 | 015-P2418B |
| New Beacon Healthcare Group, LLC | SouthernCare New Beacon Gadsden | Branch of Anniston | 412 South 5th Street | | Gadsden | AL | 35901-5102 | 015-P2418C |
| SouthernCare, Inc. | SouthernCare Andalusia | Branch of Greenville | 109 Medical Park Drive | STE A | Andalusia | AL | 36420-5323 | 013-P2403A |
| SouthernCare, Inc. | SouthernCare Atmore | Branch of Greenville | 1321 S. Main Street | STE 4 | Atmore | AL | 36502-2812 | 003-P2329A |
| SouthernCare, Inc. | SouthernCare Daphne | Branch of Greenville | 101 Villa Dr. | Suite A | Daphne | AL | 36526-4653 | 003-P2329 |
| SouthernCare, Inc. | SouthernCare Dothan | Branch of Greenville | 2576 Montgomery Hwy | Suite 2 | Dothan | AL | 36303-2633 | 069-P2361 |
| SouthernCare, Inc. | SouthernCare Enterprise | Branch of Greenville | 1253 Rucker Blvd. | Suite A | Enterprise | AL | 36330-3766 | 031-P1603 |
| SouthernCare, Inc. | SouthernCare Grove Hill | Branch of Greenville | 179-B Jackson Street | | Grove Hill | AL | 36451-3009 | 025-P2360 |
| SouthernCare, Inc. | SouthernCare Mobile | Branch of Greenville | 3938A Government Blvd | Suite 103 | Mobile | AL | 36693-4383 | 097-P4904 |
| New Beacon Healthcare Group, LLC | SouthernCare New Beacon S. Birmingham | Branch of Jasper | 1280 Columbiana Road | Suite 110 | Birmingham | AL | 35216-1642 | 127-P2417A |
| New Beacon Healthcare Group, LLC | SouthernCare New Beacon Demopolis | Branch of Jasper | 927 Hwy 80 West | | Demopolis | AL | 36732-4102 | 127-P2417B |
| New Beacon Healthcare Group, LLC | SouthernCare New Beacon Tuscaloosa | Branch of Jasper | 3835 Watermelon Road | Suite 3 and 4 | Northport | AL | 35473-5001 | 127-P2417C |
| New Beacon Healthcare Group, LLC | SouthernCare New Beacon Selma | Branch of Jasper | 1013 Medical Center Parkway | Bldg 1, STE 101 | Selma | AL | 36701-6742 | 091-P2424A |
| New Beacon Healthcare Group, LLC | SouthernCare New Beacon Decatur | Branch of Scottsboro | 1316 Somerville Rd. SE | Suite 4 | Decatur | AL | 35601-4309 | 071-P2389D |
| New Beacon Healthcare Group, LLC | SouthernCare New Beacon Quad Cities | Branch of Scottsboro | 239 Azalea Drive | | Florence | AL | 35630-1733 | 071-P2389C |
| New Beacon Healthcare Group, LLC | SouthernCare New Beacon Cullman | Branch of Scottsboro | 417 Main Street | | Hanceville | AL | 35077-5459 | 071-P238A |
| New Beacon Healthcare Group, LLC | SouthernCare New Beacon Huntsville | Branch of Scottsboro | 200 West Side Square | Suite 440 | Huntsville | AL | 35801-4864 | 071-P2389B |

| | | | | | | | | |
|----------------------------------|-------------------------------------|----------------------|----------------------------|---------|------------|----|------------|----------------|
| New Beacon Healthcare Group, LLC | SouthernCare New Beacon - Alabaster | Branch of Trussville | 122 7th Avenue NE | Suite D | Alabaster | AL | 35007-9121 | 117- P2416 |
| New Beacon Healthcare Group, LLC | SouthernCare New Beacon Clanton | Branch of Trussville | 201 Medical Center Drive | | Clanton | AL | 35045-2329 | 021- P2327 |
| New Beacon Healthcare Group, LLC | SouthernCare New Beacon Montgomery | Branch of Trussville | 7067 Sydney Curve | Suite B | Montgomery | AL | 36117-3509 | 101- P2436 |
| New Beacon Healthcare Group, LLC | SouthernCare New Beacon - Sylacauga | Branch of Trussville | 630 Old Birmingham Highway | | Sylacauga | AL | 35150-2484 | 117- P2416A |

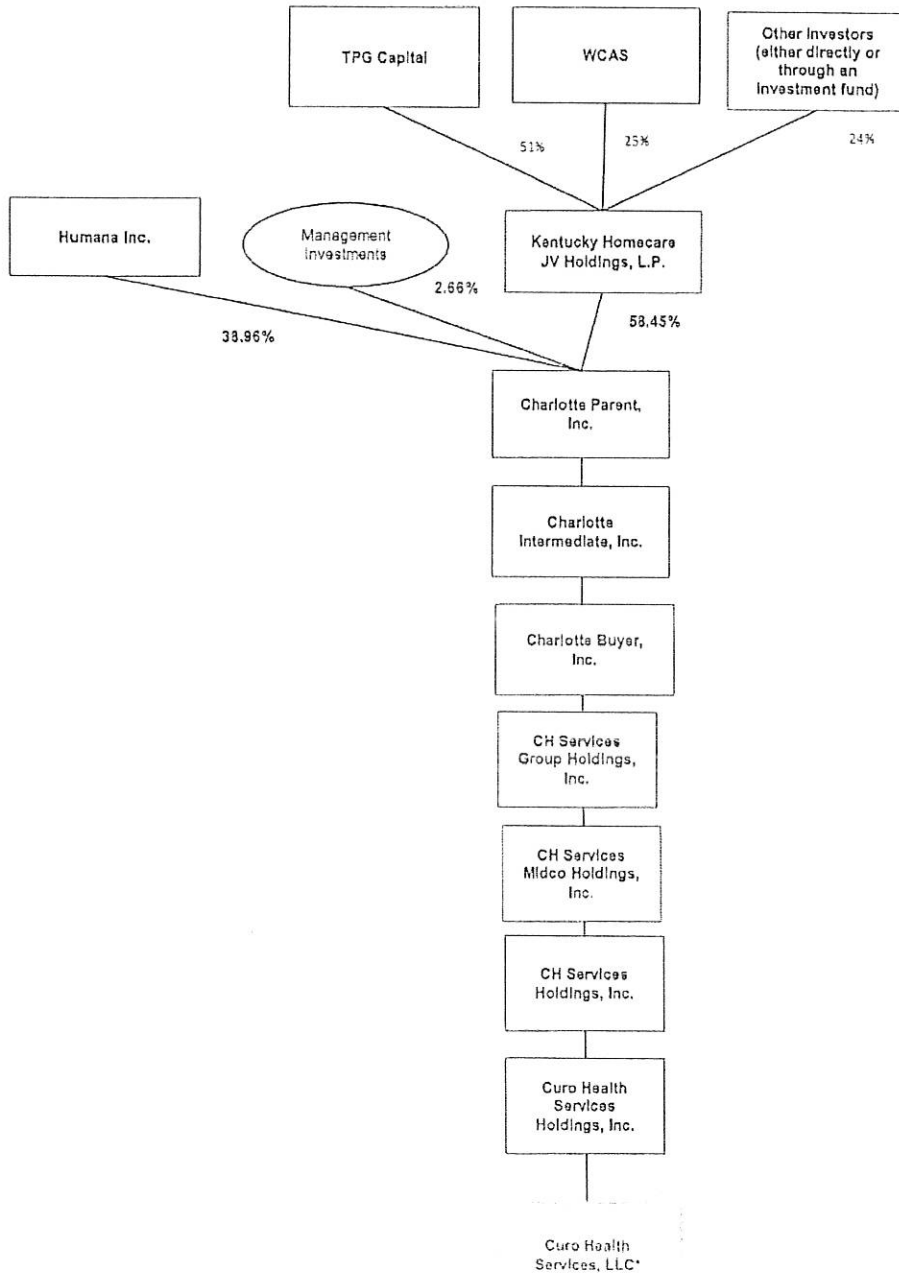
ATTACHMENT C

Curo – Current Ownership Structure



ATTACHMENT D

Post-Closing Structure



*Please see Attachment C for the entities below Curo Health Services, LLC.

**AL NOTICE OF CHANGE OF
OWNERSHIP/CONTROL**

**NEW BEACON HEALTHCARE GROUP, LLC
DBA
SOUTHERNCARE NEW BEACON -
ANNISTON**

NOTICE OF CHANGE OF OWNERSHIP/CONTROL

The following notification of intent is provided pursuant to all applicable provisions of ALA. CODE § 22-21-270 (1975 as amended) and ALA. ADMIN. CODE r. 410-1-7-.04. This notice must be filed at least twenty (20) days prior to the transaction.

- Change in Direct Ownership or Control (of a vested Facility; ALA. CODE §§ 22-20-271(d), (e))
 Change in Certificate of Need Holder (ALA. CODE § 22-20-271(f))
 Change in Facility Management (Facility Operator)

Any transaction other than those above-described requires an application for a Certificate of Need.

Part I: Facility Information

SHPDA ID Number: 015-P2418
 (This can be found at www.shpda.alabama.gov, Health Care Data, ID Codes)

Name of Facility/Provider: New Beacon Healthcare Group, LLC (See Attachment A)
 (ADPH Licensure Name)

Physical Address: 1419 Leighton Avenue, Unit A
Anniston, AL 36207

County of Location: Calhoun

Number of Beds/ESRD Stations: None / Not Applicable (Hospice Agency)

CON Authorized Service Area (Home Health and Hospice Providers Only). Attach additional pages if necessary. See Attachment A (no change)

Part II: Current Authority (Note: If this transaction will result in a change in direct ownership or control, as defined under ALA. CODE § 22-20-271(e), please attach organizational charts outlining current and proposed structures.)

Owner (Entity Name) of Facility named in Part I: New Beacon Healthcare Group, LLC

Mailing Address: 655 Brawley School Rd., Ste. 200
Mooresville, NC 28117

Operator (Entity Name): New Beacon Healthcare Group, LLC

Part III: Acquiring Entity Information

Name of Entity: New Beacon Healthcare Group, LLC (No Change)

Mailing Address: 655 Brawley School Rd., Ste. 200
Mooresville, NC 28117

Operator (Entity Name): New Beacon Healthcare Group, LLC (No Change)

Proposed Date of Transaction is on or after: July 2018

Part IV: Terms of Purchase

Monetary Value of Purchase: \$4,757,187

Type of Beds: Hospice Agency

Number of Beds/ESRD Stations: None/Not Applicable (Hospice Agency)

Financial Scope: to Include Preliminary Estimate of the Cost Broken Down by Equipment, Construction, and Yearly Operating Cost:

Projected Equipment Cost: \$0

Projected Construction Cost: \$0

Projected Yearly Operating Cost: \$7,391,418

Projected Total Cost: \$7,391,418

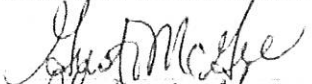
On an Attached Sheet Please Address the Following: See Attachment B

- 1.) The services to be offered by the proposal (the applicant will state whether he has previously offered the service, whether the service is an extension of a presently offered service, or whether the service is a new service).
- 2.) Whether the proposal will include the addition of any new beds.
- 3.) Whether the proposal will involve the conversion of beds.
- 4.) Whether the assets and stock (if any) will be acquired.

Part V: Certification of Information

Current Authority Signature(s):

The information contained in this notification is true and correct to the best of my knowledge and belief.

Owner(s): 

Operator(s): 

Title/Date: Gusti McGee
Director of Regulatory Services
New Beacon Healthcare Group, LLC



SWORN to and subscribed before me, this 12TH day of APRIL 2018

Kirk E. Thevis
Notary Public

My Commission Expires: Aug. 7, 2021

Acquiring Authority Signature(s):

I agree to be responsible for reporting of all services provided during the current annual reporting period, as specified in ALA. ADMIN. CODE r. 410-1-3-.12. The information contained in this notification is true and correct to the best of my knowledge and belief.

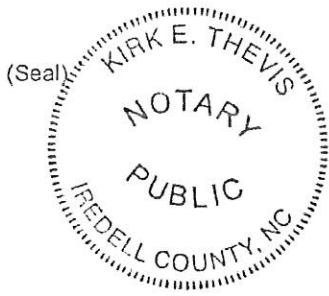
Purchaser(s): *Gusti McGee*

Operator(s): *Gusti McGee*

Title/Date: Gusti McGee
Director of Regulatory Services

New Beacon Healthcare Group, LLC

SWORN to and subscribed before me, this 12TH day of APRIL 2018



Kirk E. Thevis
Notary Public

My Commission Expires: Aug. 7, 2021

Author: Alva M. Lambert
Statutory Authority: § 22-21-271(c), Code of Alabama, 1975
History: New Rule

Attachment A – Anniston

| Legal Entity Name | DBA Name | Status | Address | Address | City | State | Zip | SHPDA No. | Counties Served |
|----------------------------------|--|--------------------|----------------------|---------|----------------|-------|------------|------------|--|
| New Beacon Healthcare Group, LLC | SouthernCare New Beacon - Anniston | Parent | 1419 Leighton Avenue | Unit A | Anniston | AL | 36207-3800 | 015-P2418 | Calhoun, Cherokee, Clay, Cleburne, Coosa, DeKalb, Etowah, Marshall, Randolph, St. Clair, Talladega, Tallapoosa |
| New Beacon Healthcare Group, LLC | SouthernCare New Beacon Alexander City | Branch of Anniston | 124 Aliant Parkway | | Alexander City | AL | 35010-3158 | 015-P2418B | Tallapoosa, Clay, Coosa, Randolph, Talladega |
| New Beacon Healthcare Group, LLC | SouthernCare New Beacon Gadsden | Branch of Anniston | 412 South 5th Street | | Gadsden | AL | 35901-5102 | 015-P2418C | Etowah, Calhoun, Cherokee, Cleburne, DeKalb, St. Clair |

Attachment B - Anniston

Responses to Application Questions 1 through 4

1) The services to be offered by the proposal (the applicant will state whether he has previously offered the service, whether the service is an extension of a presently offered service, or whether the service is a new service).

The Applicant, New Beacon Healthcare Group, LLC d/b/a SouthernCare New Beacon - Anniston, has previously offered the service and the hospice services offered will not change.

2) Whether the proposal will include the addition of any new beds.

The transaction will not include the addition of any new beds.

3) Whether the proposal will involve the conversion of beds.

The transaction will not involve the conversion of beds.

4) Whether the assets and stock (if any) will be acquired.

The transaction involves a change of indirect owners of an existing licensed hospice provider, as a result of a stock transfer.